

## Value, not price, is new sales mantra

By Tom Addyman on Monday, February 22, 2010

There's an old tale attributed to the famous media mogul, Lew Grade. Growing up, he was seen as a young boy with a remarkable business future. He was bright and astute. At the age of five, he was asked what two plus two was. Lew thought long and hard, much to his father's embarrassment, and finally came out with: "Are you buying or selling?"

A company can live or die by its sales force and a great product will sit on a shelf until it is sold.

But "sales" has become far more sophisticated than the strong-arm, high-pressure tactics that were so commonplace just a short time ago. The approach has changed, the balance of power has changed and the language is almost unrecognisable to many of the old sales school.

The old "ABC" of sales, also known as "Always Be Closing" is not something a savvy sales force prescribes today.

These are uncertain times, but there are still some guarantees.

One of those is that "price" should not be in a sales vocabulary – value is the keyword, not cost.

Andrew Cosslett is the CEO of InterContinental Hotels Group (IHG), which also owns Crowne Plaza and Holiday Inn. He is a great believer in value: "People look more for value. Keep the brand alive and relevant, and provide value."

I think the message is fairly clear there. IHG doesn't do cut-price sales or discounts. It offers promotions, incentives and added value. That could well be one of the reasons why three people check into a Holiday Inn every second and Cosslett is still on course to open one hotel every day of the year.

Whether it is first hand, second hand, or older, everything has a market, and it is how you find that market and present your product that will determine your success or failure as a business.

You and your sales force must highlight the value and lowlight the expense in order for your potential client to see your product as an investment. And starting with price is probably not the best way to go about that.

Even when the dollars and dimes are attractive, a discount sale can smack of desperation.

So, it's all about value. But not all about your product's value.

More than any other aspect, your sales team needs to be able to add some real worth to their personal services. They need to conduct insightful research, make relevant and specific points, provide feasible and reasonable solutions and position your product as essential. Preparation is now a vital part of the process. It wasn't too long ago that you could throw a hundred pitches at a crowd and 30

of them would stick. Minimum effort, maximum return. Not any more.

Selling is probably more of an art now than it has ever been.

There are still going to be cowboys who look for nothing more than a simple target and have neither conscience in their methods nor belief in their services, but intelligent reasoning has thankfully shown itself to be more effective and more rewarding.

B2B sales today is an even tougher business than consumer selling, and for agents to successfully promote the product, they must take control of the situation, instill confidence in the client and get back to the value of the proposition.

Think of it as a public relations exercise on behalf of your goods/services: these are our achievements; this is our track record; here are our credentials; here are our testimonials; and these are our proposals. Ideally, these should be prompted by your client, but the chances are you or your team will have to offer at least some of them. There is no mention of price at this stage and many teams agree that should be the case until the value is perceived as so great that cost is secondary.

Ben Feldman is credited as one of the most prolific and successful salesmen to have ever wandered door-to-door.

He sold a total of \$1.8 billion (Dh6.6bn) worth of insurance policies for New York Life Insurance from 1942 to his death in 1993 and held the world record for the most products sold (by value) by a salesman in a year – \$100,000,000. In a single day he sold \$20,000,000.

I have to put my hands up and admit that this was very much in the old school days of sales. Ben was a man on a mission and a policy in his pocket. As a consumer salesman, it was impossible for him to research each customer he met, but he made absolutely sure he had the full background on his company and knew exactly what he could offer and what he could not.

There were thousands of salesmen with similar products going to similar homes, but the secret to Ben's success was blindingly obvious yet blatantly ignored: "Don't sell life insurance. Sell what life insurance can do."

Of course, there are always going to be certain guides and pillars of successful selling, but "Always Be Closing" and "threats" of interest from the competition are becoming a little staid. Which brings us neatly back to value, and in the interest of fair competition, the turn of Christopher Nassetta, President and CEO, Hilton Hotels Corporation, who said alongside Andrew Cosslett: "People are looking for value-minded things with less gloss and glamour than in the last 10 years".

The margins of no-frills products can be smaller, the commission less and the need to sell large volumes greater. It's not easy to have the get up and go of Ben Feldman and sales teams today are dealing with more cynical clients in more sophisticated markets.

Of course, the upside of having more sophisticated clients means that they will appreciate and see the value in your products and services. These clients will have a better understanding of what you're selling.

And if you are offering something with real value and quality the client will recognise that immediately - which could lead to an easier sell.

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